



**Department of Economic Development
Office of Business Development
Louisiana Economic Development Corporation**

**Louisiana Administrative Code
Title 13: Economic Development
Part III. Financial Assistance Programs
Chapter 3. Workforce Development and Training Program**

§ 301. Preamble and Purpose

- A. Workforce Development and Training is vital to support the State's commitment to Cluster Based Economic Development, and the State's long-term goals as set forth in Louisiana: Vision 2020, which is the Master Plan for Economic Development for the State of Louisiana.
- B. The purpose of the program is to enable the development of and provide customized workforce training programs to existing and prospective Louisiana businesses as a means of improving the competitiveness and productivity of Louisiana's workforce and business community; and, to assist Louisiana businesses in promoting employment stability.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2331, et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Economic Development Corporation, LR 23:43 (January 1997), amended by the Department of Economic Development, Office of the Secretary, LR 23:1641 (December 1997), LR 25:243 (February 1999), LR 25:405, LR 25:1664 (September 1999), LR 26:241 (February 2000).

§ 303. Definitions

Applicant -- the entity or company requesting a training award from LED and LEDC under this program.

Award -- funding approved under this program for eligible training activities.

Company -- the business enterprise undertaking the workforce training project, and the successful applicant receiving or granted an award under this program.

Contract -- a legally enforceable Award Agreement between LEDC and the successful applicant-company governing the terms and the conditions of the training award.

Full Time Permanent Job -- an employed position requiring the employee to work a full forty (40) hour work week, and which is not a temporary position.

LED—the Louisiana Department of Economic Development.

LEDC -- the Louisiana Economic Development Corporation.

Net Benefit Return to the State -- the determination of whether or not the value to the State is equal to or exceeds the amount of the award to the company.

Percentage of Achieved Performance Objectives as Provided in the Contract -- an average of that portion achieved by the company of the full time permanent jobs created or upgraded, and that portion achieved by the company of the annual salary levels to be reached, as provided in the contract. The two (2) portions are to be added together, and the total figure

is then divided by two (2), in order to yield the average percentage.

Preference – the discretionary granting of an advantage or priority to one applicant or application over others; allows extra consideration to be given to one applicant or application over others, with regard to the availability of funding.

Program -- the Workforce Development and Training Program.

Project – the workforce training endeavor that will enhance the qualifications and productivity of a company's workforce, its employees and prospective employees, for which LED and LEDC assistance is requested under this program as an incentive to influence a company's decision to maintain or expand its Louisiana operations, to increase its capital investment in Louisiana, or to locate a facility in this State.

Secretary-- the Secretary of the Louisiana Department of Economic Development, who is, by law, also the President of the Louisiana Economic Development Corporation.

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§ 305. General Principles

The following general principles will direct the administration of the Workforce Development and Training Program:

1. LEDC shall serve as the single review board for this Workforce Development and Training Program which is to be administered by LED;
2. training awards are not to be construed as an entitlement for companies located or locating in Louisiana;
3. awards must reasonably be expected to be a significant factor in a company's location, investment, expansion and/or training decisions;
4. awards must reasonably be demonstrated to result in the enhanced economic well-being of the state and local communities;
5. evaluations for the enhancement of existing Louisiana businesses that are adding locations within the state will be conducted with the same procedures and with the same priority as the recruitment of new businesses to the state;
6. the anticipated economic benefits to the state will be considered as a requirement in making the award;
7. awards will be coordinated with the existing plans and programs of other government agencies whenever appropriate;
8. a train-the-trainer approach will be adopted whenever appropriate in order to strengthen the institutional capacity of public and private sector training providers; and
9. award funds shall be utilized for the approved training project only.

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§ 307. Program Descriptions

This program provides two (2) types of training assistance for companies seeking prospective employees who possess sufficient skills to perform the jobs to be created by the companies. The training to be funded can include:

1. Pre-employment training for which prospective employees are identified and recruited for training with the knowledge that the company will hire a portion of the trainees;

2. On-the-job (and/or upgrade) training for employees that is needed to bring the employees up to a minimum skill and/or productivity level.

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§ 309. Eligibility

- A. An eligible applicant is an employer that seeks customized training services to provide training in a particular industry.
- B. The following types of businesses are ineligible for the award of workforce development funds: Retail Businesses; Trucking Companies; Lodging or Hospitality Enterprises; Assisted Living Enterprises, Retirement Communities, or Nursing Homes; and Gaming or Gambling Enterprises.
- C. Employees to be trained must be employed in Louisiana, except for projects locating at Stennis Space Center in Mississippi. Employees to be trained for projects at Stennis Space Center must be Louisiana residents.
- D. A company shall be considered ineligible for this program if it has pending or outstanding claims or liabilities relative to failure or inability to pay its obligations; including state or federal taxes, or bankruptcy proceeding, or if it has pending, at the federal, state, or local level, any proceeding concerning denial or revocation of a necessary license or permit, or if the company has a previous contract with the Department of Economic Development or LEDC in which the company is in default and/or is not in compliance.
- E. Companies must be in full compliance with all state and federal laws.

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§ 311. Criteria

- A. General** (These apply to all training programs administered under these rules.)
 1. Preference may be given to applicants in industries identified by the state as targeted or cluster industries, and to applicants locating in areas of the state with high unemployment levels.
 2. Employer(s) must be in full compliance with Louisiana unemployment insurance laws.
 3. If a company does not begin the project within 365 days of application approval, the LEDC, upon the recommendation of the Secretary of LED, may cancel funding of the training project, or may require reapplication.
 4. The number of jobs to be retained and/or created as stated in the application will be adhered to and will be made an integral part of the contract.
- B. Pre-employment, Upgrade and On-the-Job Training**
 1. Applicants must create at least ten (10) net new Full-Time Permanent Jobs in the state, unless upgrade training is involved. Upgrade training must be provided to a minimum of ten (10) full-time permanent employees.
 2. Participation in pre-employment training does not guarantee students a job upon completion of their training.

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§ 313. Application Procedure

LED will provide a standard application form which applicants will use to apply for assistance. The application form will contain, but not be limited to, detailed descriptions of the following:

1. an overview of the company, its history, and the business climate in which it operates;
2. the company's overall training plan, including a summary of the types and amounts of training to be provided and a description of how the company determined its need for training;
3. the specific training programs for which LED and LEDC assistance is requested, including descriptions of the methods, providers and costs of the proposed training;
4. a fully developed business plan, with financial statements and projections; and
5. any additional information LED or LEDC may require.

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§ 315. Submission and Review Procedure

- A. Applicants must submit their completed application to LED. Submitted applications will be reviewed and evaluated by LED staff. Input may be required from the applicant, other divisions of the Department of Economic Development, LEDC, and other state agencies as needed, in order to:
 1. evaluate the importance of the proposed training to the economic well-being of the state and local communities;
 2. identify the availability of existing training programs which could be adapted to meet the employer's needs;
 3. verify that the business will continue to operate during the period of the contract; and
 4. determine if the employer's training plan is cost effective.
- B. An economic cost-benefit analysis tailored to the applicant's request shall be conducted by LED to determine the net benefit to the state and/or local community of the proposed training award. The net benefit return to the state shall not exceed two (2) years.
- C. Upon determination that an application meets the general principles, eligibility requirements, and criteria for this program, LED staff will then make a recommendation to LEDC and LEDC will then review and either approve or reject the application.

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§ 317. General Award Provisions

A. Award Agreement

1. An Award Agreement or Contract will be executed between LEDC and the successful applicant-company. The Contract will specify the performance objectives expected of the company and the compliance requirements to be enforced in exchange for state assistance, including, but not limited to, the time required for job training, job creation, and the achievement of employee salary levels to be reached by the company.
2. LEDC will disburse funds to the company as provided by the Award Agreement or Contract.
3. LED will oversee the progress of the training and reimburse the company on the basis

of Cost Reports certifying the amount expended by the company for the training of employees for which reimbursement is sought, submitted by the company on a form provided by LED. LED may request the company at any time and from time to time to submit additional or supporting information.

4. Funds may be used for training programs extending up to two (2) years in duration.
5. Contracts issued under previous rules may be amended to reflect current regulations as of the date of the most recent change, upon request of the company, the recommendation of LED, and approval of LEDC.

B. Funding.

1. The Louisiana Workforce Development and Training Program offers financial assistance in the form of a grant for reimbursement of eligible training costs specified in the Award Agreement.
2. Eligible training costs may include the following:
 - a. instruction costs: wages for company trainers and training coordinators, Louisiana public and/or private school tuition, contracts for vendor trainers, training seminars;
 - b. travel costs: travel for trainers, training coordinators and trainees;
 - c. materials and supplies costs: training texts and manuals, audio/visual materials, raw materials for manufacturer's training purposes only and Computer Based Training (CBT) software; and
 - d. other costs: when necessary for training, such as facility and/or equipment rental.
3. Training costs ineligible for reimbursement include:
 - a. trainee wages and fringe benefits;
 - b. non-consumable tangible property (e.g., equipment, calculators, furniture, classroom fixtures, non-Computer Based Training (CBT) software), unless owned by a public training provider;
 - c. out-of-state, publicly supported schools;
 - d. employee handbooks;
 - e. scrap produced during training;
 - f. food, refreshments; and
 - g. awards.
4. Training activities eligible for funding consist of:
 - a. company-specific skills: skills which are unique to a company's workplace, equipment and/or capital investment;
 - b. quality standards skills: skills which are intended to increase the quality of a company's products and/or services and ensure compliance with accepted international and industrial quality standards (e.g., ISO standards); and
 - c. skills pertaining to instructional methods and techniques used by trainers (e.g., train-the-trainer activities).

C. Conditions for Disbursement of Funds

1. Funds will be available on a reimbursement basis following submission of required documentation to LED by the company. Funds will not be available for reimbursement until a training agreement or contract between the company and LEDC has been executed. Only funds spent on the project after LEDC's approval will be considered eligible for reimbursement. However, reimbursements can be provided to the company only after final execution of a contract with LEDC.
2. Companies will be eligible for reimbursement on a percentage of achieved performance objectives as provided in the contract, until all or substantially all of its contracted performance objectives have been met. After the company has achieved all or substantially all of its contracted performance objectives, any remaining unpaid portion of the grant award will be made available for reimbursement. Performance objectives shall be considered substantially achieved when LED and LEDC have determined that the benefits to the state anticipated or expected as a result of the training project have been achieved, even though one hundred (100%) percent of all stated objectives of the award agreement (or contract) may not have

been fully achieved.

D. Compliance Requirements

1. In order to be paid or reimbursed as provided by the contract, companies shall be required to complete and submit to LED Cost Reports certifying the amount expended by the company for the training of employees for which reimbursement is sought, along with progress reports describing the company's progress toward the performance objectives specified in its contract with LEDC. Such progress reports shall include a review and certification of the company's hiring records (with copies of the company's quarterly LA. Dept. of Labor ES-4 Form filings to be attached), and the extent of the company's compliance with contract employment commitments. Further, LED shall oversee the timely submission of reporting requirements by the company.
2. The termination of employees during the contract period who have received program-funded training shall be for documented cause only, which shall include voluntary termination.
3. In the event a company fails to meet its performance objectives specified in its contract, LEDC shall retain the right to withhold award funds, modify the terms and conditions of the award, and/or to reclaim disbursed funds from the company in an amount commensurate with the scope of the unmet performance objectives and the foregone benefits to the state, as determined by LED and on the recommendation of the Secretary. Reclamation shall not begin unless LED has determined, with the concurrence of LEDC, after an analysis of the benefits of the training project to the state and the unmet performance objectives, that the state has not satisfactorily or adequately been compensated for its costs through the benefits provided by the training project.
4. In the event a company knowingly files a false statement in its application or in a progress report, the company may be guilty of the offense of filing false public records, and may be subject to the penalty provided for in La. R.S. 14:133.
5. LEDC shall retain the right, for itself, for the Legislative Auditor, for the Office of the Governor, Division of Administration, and for LED, to require and/or conduct financial and performance audits of a project, including all relevant records and documents of the company.

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§ 319. Contract Monitoring

All monitoring will be done by LED. A portion of the fiscal year's appropriation, up to five (5%) percent or a maximum of \$200,000.00, may be used by LED to fund monitoring costs.

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§ 321. Conflicts of Interest

No member of Louisiana Economic Development Corporation (LEDC), employee thereof, or employee of the Louisiana Department of Economic Development (LED), nor members of their immediate families, shall either directly or indirectly be a party to or be in any manner interested in any contract or agreement with either the Corporation or the Department for any matter, cause, or thing whatsoever by reason whereof any liability or indebtedness shall in any way be created against such Corporation or Department. If any contract or agreement shall be made in violation of the provisions of this Section, the same shall be null and void, and no action shall be maintained thereon against either the Corporation or the Department.

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